DELTA AGRIBUSINESS PTY LIMITED AND CONTROLLED ENTITIES
ACN 118 781 445

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YEAR ENDED 30 JUNE 2023

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DELTA AGRIBUSINESS PTY LIMITED AND CONTROLLED ENTITIES
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DIRECTORS' REPORT

The directors of Delta Agribusiness Pty Limited submit herewith the annual report of the company and its controlled entities ("Group") for the financial year ended 30 June 2023. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

The names of the directors in office at any time during or since the end of the year are:

Douglas Rathbone (Chairman)
Gerard Hines
Christopher Duff
George Penklis
Gareth Banks
Stephen Cameron

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal activity

The principal activities of the group during the financial year were the supply of retail and wholesale products and services and to the rural sector. There was no significant change in the nature of our activities during the year.

Review of Operations and Financial Results
Despite some challenging seasonal conditions through large parts of Eastern Australia with excessive wet weather, and softening livestock and grain prices, the business delivered strong revenue growth resulting in the Group achieving record sales of $843.5m (2022: $750.0m) and an underlying EBITDA of $54.3m (2022: $61.2m). Delta continued its geographic and earnings diversity via expansion through the acquisition of Cox Rural Holdings, EP Ag n Fert & Growers Supplies (SA) all based in SA. Significant market devaluation across key Ag Chem molecules and mainline fertilisers resulted in underlying gross margin dropping by over 1%. Despite the sharp devaluation, market share grew strongly "like for like" when excluding income generated from new acquisitions. The profit for the Group for the financial year after providing for income tax amounted to $28.4m (2022: Profit of $35.9m)

Subsequent events
There are no matters or circumstances which have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the group, the results of those operations, or the state of affairs of the group in future financial years.

Likely developments
Likely developments in the operations of the group and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the group.

Environmental regulations
The group's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Dividends
A fully franked dividend of $16.1m was declared and paid from the profits of the company during the financial year ended 30 June 2023.

Shares under option
No options over issued shares or interests in the group were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Indemnification and insurance of officers

During or since the financial year, in respect to any person who is or has been an officer of the group or of a related body corporate, the group has continued to have in place agreements with the current and certain Directors and Officers of the group to indemnify them against certain liabilities, including costs and expenses in successfully defending legal proceedings in accordance with the group's constitution to the extent permitted by law; and the group has continued to have in place Directors' and Officers' Liability Insurance policies which cover all the Directors and Officers of the group and has paid or agreed to pay a premium payable by the group in respect of a contract insuring against certain liabilities for the costs or expenses to defend legal proceedings.

Legal proceedings

No person has applied for leave of Court to bring proceedings on behalf of the group or intervene in any proceedings to which the group is a party for the purpose of taking responsibility on behalf of the group for all or any part of those proceedings.

The group was not a party to any such proceedings during the year.

Auditor's independence declaration

The auditor's independence declaration is included on page 4.

Rounding off of Amounts

The company is a company of the kind referred to in ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the directors' report and the financial statements are rounded off to the nearest thousand dollars, unless otherwise indicated.

This directors' report is signed in accordance with a resolution of the directors made pursuant to s298(2) of the Corporations Act 2001.

On behalf of the Directors

Gerard Hines

Christopher Duff

Dated this 23rd day of August 2023

DELTA AGRIBUSINESS PTY LIMITED AND CONTROLLED ENTITIES
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DIRECTORS' DECLARATION

In the directors' opinion:-

(a) the financial statements and notes set out on pages 10 to 30 are in accordance with the Corporations Act 2001, including:

(i) complying with Accounting Standards - Simplified Disclosures, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

(ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2023 and of its performance for the financial year ended on that date, and

(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors made pursuant to s.295(5) of the Corporations Act 2001.

Gerard Hines

Christopher Duff

Dated this 23rd day of August 2023

DELTA AGRIBUSINESS PTY LIMITED AND CONTROLLED ENTITIES

ACN: 118 781 445

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Delta Agribusiness Pty Limited and Controlled Entities

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023, there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Caroline Wilcher
Director
Boyce Assurance Services Pty Limited
Dubbo
23 August 2023

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Boyce ASSURANCE SERVICES

Cooma Dubbo Goulburn Moree Wagga Wagga

Authorised Audit Company
Registered Auditor Number: 278282

Knowledge. Insight. Experience.

Independent Auditor's Report to the members of Delta Agribusiness Pty Limited and Controlled Entities

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Delta Agribusiness Pty Limited and Controlled Entities (the company) and its subsidiaries (the group), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the group is in accordance with the *Corporations Act 2001*, including:

i. giving a true and fair view of the group's financial position as at 30 June 2023 and of its financial performance for the year ended; and

ii. complying with Australian Accounting Standards - Simplified Disclosures and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* has been given to the directors of the company at the date of this report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is included in the Directors' Report, (but does not include the financial report and our auditor's report thereon).

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Independent Auditor's Report to the members of Delta Agribusiness Pty Limited and Controlled Entities

Responsibilities of Directors for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Simplified Disclosures and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

Independent Auditor's Report to the members of Delta Agribusiness Pty Limited and Controlled Entities

- Conclude on the appropriateness of the directors' use of going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Caroline Wilcher
Director
Boyce Assurance Services Pty Limited
Dubbo
Dated 23 August 2023

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DELTA AGRIBUSINESS PTY LIMITED AND CONTROLLED ENTITIES
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CONSOLIDATED STATEMENT OF PROFIT & LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 $'000	2022 $'000
Sales Revenue	2	843,514	750,006
Other Revenue	2	14,559	15,379
Share of net profits/(losses) of associates		193	(101)
Cost of sales		(742,570)	(651,675)
Personnel expenses		(44,382)	(37,329)
Occupancy expenses		(2,455)	(2,382)
Motor vehicle expenses		(5,280)	(4,406)
Marketing expenses		(650)	(532)
Other expenses		(8,609)	(7,716)
Underlying Earnings Before Interest, Tax, Depreciation & Amortisation		**54,319**	**61,244**
Abnormal Stock Devaluation Provision		(3,203)	-
Other Abnormal Items		(124)	(871)
Finance costs		(2,902)	(1,554)
Depreciation		(7,268)	(6,462)
Amortisation		(47)	(46)
Profit Before Income Tax	3	**40,775**	**52,311**
Income tax expense	3	(12,345)	(16,448)
Net Profit After Tax		**28,430**	**35,863**
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		28,430	35,863
Total comprehensive income attributable to:			
Owners of the Company		28,266	35,922
Non - Controlling Interests	24	164	(59)
		28,430	35,863

The accompanying notes form part of these financial statements

DELTA AGRIBUSINESS PTY LIMITED AND CONTROLLED ENTITIES
ACN 118 781 445

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	Notes	2023 $'000	2022 $'000
ASSETS			
Current Assets			
Cash and cash equivalents	5	31,747	52,130
Trade and other receivables	6	126,205	119,382
Inventories	7	116,163	96,872
Other current assets	8	1,179	1,234
Total Current Assets		275,295	269,618
Non-Current Assets			
Financial Assets	9	2,153	2,145
Property, plant and equipment	11	26,976	23,011
Right of Use assets	12	17,405	23,578
Intangible Assets	13	73,314	44,841
Deferred Tax Asset	17	2,181	2,110
Total Non-Current Assets		122,030	95,685
Total Assets		397,324	365,303
LIABILITIES			
Current Liabilities			
Trade and other payables	14	206,161	194,621
Lease Liabilities	15	3,590	2,175
Borrowings	16	2,756	2,430
Employee Benefits	18	7,352	5,768
Current Tax Liability		-	6,850
Total Current Liabilities		219,858	211,845
Non-Current Liabilities			
Lease Liabilities	15	15,827	23,654
Borrowings	16	8,277	6,170
Employee Benefits	18	618	428
Total Non-Current Liabilities		24,722	30,251
Total Liabilities		244,580	242,096
Net Assets		152,744	123,207
EQUITY			
Issued capital	19	69,769	52,563
Reserves	20	24	24
Retained earnings		82,491	70,323
Equity Attributable to Members of the Company		152,283	122,910
Non - Controlling Interests	24	461	297
Total Equity		152,744	123,207

The accompanying notes form part of these financial statements

DELTA AGRIBUSINESS PTY LIMITED AND CONTROLLED ENTITIES
ACN 118 781 445

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 30 JUNE 2023

	Share Capital - Ordinary $'000	Reserves $'000	Retained Earnings $'000	Attributable to Members of the Parent $'000	Non - Controlling Interests $'000	Total $'000
Balance at 1 July 2021	38,913	24	40,216	**79,153**	1,187	**80,341**
Profit for the year	-	-	35,922	**35,922**	(59)	**35,863**
Transactions with owners recorded directly in equity						
Shares issued during the year	13,649	-	0	**13,649**	250	**13,899**
Dividend paid or provided for	0	-	(6,897)	**(6,897)**	-	**(6,897)**
Change in Non-Controlling Interest	0	-	1,082	**1,082**	(1,082)	**-**
Balance at 30 June 2022	52,563	24	70,323	**122,910**	297	**123,207**
Profit for the year			28,266	**28,266**	164	**28,430**
Transactions with owners recorded directly in equity						
Shares issued during the year	17,206	-	-	**17,206**	-	**17,206**
Dividend paid or provided for	-	-	(16,099)	**(16,099)**	-	**(16,099)**
Change in Non-Controlling Interest	-	-	-	**-**	-	**-**
Balance at 30 June 2023	69,769	24	82,491	**152,283**	461	**152,744**

The accompanying notes form part of these financial statements

DELTA AGRIBUSINESS PTY LIMITED AND CONTROLLED ENTITIES
ACN 118 781 445

CONSOLIDATED STATEMENT OF CASH FLOWS FOR YEAR ENDED 30 JUNE 2023

	Notes	2023 $'000	2022 $'000
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		941,771	770,128
Payments to suppliers and employees		(889,628)	(711,860)
Dividends Received		-	-
Interest received		2,555	1,986
Finance costs		(2,902)	(1,554)
Income tax paid		(23,111)	(14,003)
Net cash provided by (used in) operating activities	22	28,685	44,698
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(7,528)	(6,131)
Purchase of investments		-	(176)
Purchase of intangible assets		-	(24)
Net cash in/(out) from acquisition of businesses	21	(27,187)	(14,723)
Net cash outflow to acquire non-controlling interests		-	-
Sale of property, plant and equipment		1,090	1,364
Net cash provided by (used in) investing activities		(33,626)	(19,690)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings		4,869	3,865
Proceeds from Share Issue		1,450	5,481
Repayment of Borrowings		(2,436)	(6,240)
Repayment of Lease Liabilities		(3,227)	(2,041)
Dividend paid		(16,099)	(5,404)
Net cash provided by (used in) financing activities		(15,442)	(4,339)
Net increase/(decrease) in cash held		(20,383)	20,669
Cash at beginning of year		52,130	31,460
Cash at end of year	5	31,747	52,130

The accompanying notes form part of these financial statements

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

General Information
DELTA AGRIBUSINESS PTY LIMITED is a proprietary company incorporated and domiciled in Australia. The addresses of its registered office and principal place of business are as follows:

Registered office:	Principal place of business:
274 Parker Street	287 Boorowa Street
COOTAMUNDRA NSW 2590	YOUNG NSW 2594
Tel: (02) 6942 7466	Tel: (02) 6382 6622

The principal activities of the group during the financial year were the supply of retail products and services and wholesale products to the rural sector. The results and financial position of the group are expressed in Australian dollars, which is the functional currency of the group.

The company is a company of the kind referred to in ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the directors' report and the financial statements are rounded off to the nearest thousand dollars, unless otherwise indicated.

Basis of Preparation
This financial report includes the consolidated financial statements and notes of Delta Agribusiness Pty Limited and controlled entities ('group'). Delta Agribusiness Pty Limited is a for-profit entity for the purpose of preparing the financial statements.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Simplified Disclosures and the Corporations Act 2001.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The following specific accounting policies, which are consistent with the previous period, unless otherwise stated, have been adopted in the preparation of this report:

Accounting Policies

a. Principles of Consolidation

(i) Subsidiaries

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the group obtains control over the subsidiary and ceases when the group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the group gains control until the date when the group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the group are eliminated in full on consolidation.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(ii) Associates
Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see d. below) after initially being recognised at cost.

(iii) Changes in ownership interests
When the group ceases to consolidate or equity account for an investment because of a change in control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in the carrying amount recognised in profit and loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the interest in this investment.

b. Business Combinations
Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value which is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity instruments issued by the group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with AASB 112 ‘Income Taxes’ and AASB 119 'Employee Benefits' respectively.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis.

Where the consideration transferred by the group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the ‘measurement period’ (which does not exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or liability is remeasured at subsequent reporting dates in accordance with AASB 139 'Financial Instruments', or AASB 137 ‘Provisions, Contingent Liabilities and Contingent Assets’, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

c. Goodwill
Goodwill arising on an acquisition of a business is carried at cost as established at the date of the acquisition of the business (see 1b. above) less accumulated impairment losses, if any.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d. Equity Method of Accounting

Under the equity method, an investment in an associate is initially recognised in the statement of financial position at cost and adjusted thereafter to recognise the group's share of the profit or loss and other comprehensive income of the associate. When the group's share of losses of an associate exceeds the group's interest in that associate (which includes any long-term interests that, in substance, form part of the group's net investment in the associate), the group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The group discontinues the use of the equity method from the date when the investment ceases to be an associate.

e. Revenue Recognition

The group recognises revenue as or when each performance obligation from contracts with customers are satisfied and considers whether there are separate elements of each transaction to which a portion of the transaction price needs to be allocated. The majority of the groups revenue is recognised at a point in time and attributable to the sale of retail products, commissions from agency services, fees from consulting and contracting services and interest revenue. The following specific recognition criteria must also be met before revenue is recognised:

Revenue from the sale of goods predominantly relates to sale of agricultural retail products, and is recognised at the point in time when control has been transferred to the customer, generally through the execution of a sales agreement at point of sale or when the delivery of goods has occurred.

Commission revenue is derived from the rendering of agency services and is generally recognised at the point in time when the service is provided.

Revenue relating to consultancy and contracting services is recognised over time. The transaction price allocated to these services is recognised as a contract liability at the time and is released on a straight-line basis over the period of service.

Interest revenue is recognised using the effective interest rate method.

All revenue is stated net of the amount of goods and services tax (GST)

f. Income Tax

The Company and its wholly-owned Australian resident entities are members of a tax-consolidated group under Australian tax law. The Company is the head entity within the tax-consolidated group. In addition to its own current and deferred tax amounts, the Company also recognises the current tax liabilities and assets and deferred tax assets arising from unused tax losses and relevant tax credits of the members of the tax-consolidated group.

Amounts payable or receivable under the tax-funding arrangement between the Company and the entities in the tax consolidated group are determined using a ‘separate taxpayer within group’ approach to determine the tax contribution amounts payable or receivable by each member of the tax-consolidated group. This approach results in the tax effect of transactions being recognised in the legal entity where that transaction occurred, and does not tax effect transactions that have no tax consequences to the group. The same basis is used for tax allocation within the tax-consolidated group.

The income tax expense or revenue for the period is the tax payable on the current period’s taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

g. Borrowing Costs

Borrowing costs are recognised in profit and loss in the period in which they are incurred.

h. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities in the statement of financial position.

i. Financial Instruments

Financial instruments are recognised initially on the date that the group becomes party to the contractual provisions of the instrument. On initial recognition, all financial instruments are measured at fair value plus transaction costs.

Financial Assets

The group's financial assets comprise trade and other receivables and cash and cash equivalents. After initial recognition, all financial assets are subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Impairment of Financial Assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for trade and other receivables and shares in unlisted companies. The group uses the presumption that a receivable is in default when the other party is unlikely to pay its credit obligations to the group in full, or the receivable is more than 90 days past due. Impairment losses are measured as the present value of the difference between the cash flows due to the group in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Financial Liabilities

The group's financial liabilities comprise trade payables, bank and other loans. After initial recognition, all financial liabilities are subsequently measured at amortised cost using the effective interest method.

j. Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined based on average cost on a first-in first-out basis. Net realisable value represents the estimated selling price for inventories less costs necessary to make the sale.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

k. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment.

Depreciation

The depreciable amount of all fixed assets, excluding freehold land, is depreciated on a straight line basis or diminishing value over their useful lives to the group commencing from the time the asset is held ready for use.

The following useful lives are used in the calculation of depreciation:

Class of Fixed Asset	***Depreciation Period***
Buildings & Leasehold Improvements	5 - 40 years
Office Equipment	2 - 10 years
Plant & Equipment	3 - 10 years
Motor Vehicles	3 - 5 years
Furniture & Fittings	3 - 10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each financial period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit and loss.

l. Intangible Assets

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

m. Impairment of non-financial assets

At the end of each reporting period the group determines whether there is any evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss. Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

n. Leases

At inception of a contract, the group assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:
• The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
• The group has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
• The group has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

At the lease commencement, the group recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the group believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the group's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the group's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The group has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The group recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

o. Employee Benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of short-term employee benefits, are measured at their values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of long term employee benefits are measured as the present value of the estimated future cash outflows to be made by the group in respect of services provided by employees up to reporting date.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

p. Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

q. Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

r. Critical accounting estimates and judgements

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

The areas involving the most sensitive estimates and judgements are:-

- business combinations where fair value is measured on a provisional basis
- impairment of goodwill
- recoverability of trade receivables
- impairment of land & buildings

Key Estimates - Impairment of Goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

Key Estimates - Recoverability of Trade Receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

Key Estimates - Impairment of Land & Buildings

The group assesses impairment at the end of each reporting period by evaluating conditions specific to the group that may be indicative of impairment triggers. Recoverable amounts of the group’s land and buildings are assessed using management’s determination of the property’s value in use to the group. Management’s determination is based on information obtained at acquisition and cash flow projections for each store location performed for annual goodwill impairment assessments.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 $'000	2022 $'000
NOTE 2: PROFIT (LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS			
a) REVENUE AND OTHER INCOME			
Operating activities			
- sale of goods & services		843,514	750,006
Total Sales Revenue		843,514	750,006
Operating activities - Other Revenue			
- commissions from agency		6,068	7,695
- fees from consultancy and contracting		4,526	4,841
- dividends received from associated companies		-	-
- interest received from other persons/corporations		2,555	1,986
- other miscellaneous income		1,410	856
Total Other Revenues		14,559	15,379
b) OTHER EXPENSES			
Profit / (loss) for the year from continuing operations has been arrived at after charging (crediting):			
- Loss / (gain) on disposal of property, plant & equipment		(335)	(380)
- Amortisation of Intangibles		47	46

NOTE 3: INCOME TAX EXPENSE

a. Income tax recognised in profit or loss
Tax expense comprises:

	2023 $'000	2022 $'000
Current tax expense in respect of the current year	12,056	17,400
Adjustments recognised in current year in respect to the tax losses not brought to account in prior years	244	-
Deferred tax expense relating to the origination and reversal of temporary differences	46	(951)
Total tax expense	12,345	16,448

b. The expense for the year can be reconciled to the accounting profit as follows:-

	2023 $'000	2022 $'000
Profit before income tax	40,775	52,311
Income tax expense calculated at 30%	12,212	15,693
Effect of revenue with available tax offsets	-	(2)
Effect of expenses that are not deductible for tax	(40)	646
Current year tax losses not recognised	-	78
Recoupment of prior years tax losses	(75)	-
Prior period adjustment	248	33
Income tax expense recognised in profit and loss	12,345	16,448

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 $'000	2022 $'000
NOTE 4: DIVIDENDS			
Distributions paid:			
a. Declared fully franked dividends of 96 cents (2022: 46 cents) per share franked at the tax rate of 30% (2022: 30%)		16,099	6,897
b. Balance of franking account at year end adjusted for franking credits arising from:			
- opening balance		28,750	17,311
- prior year adjustments		-	(52)
- acquired on acquisition of business		-	419
- dividends received		-	-
- income tax paid		23,192	14,028
- dividends paid		(6,899)	(2,956)
		45,043	28,750
NOTE 5: CASH AND CASH EQUIVALENTS			
Cash at Bank		31,711	52,096
Cash on Hand		36	34
		31,747	52,130
Reconciliation of cash			
Cash at the end of the financial year as shown in the statement of cash flow is reconciled to items in the statement of financial position as follows:			
Cash and cash equivalents		31,747	52,130
Bank Overdrafts		-	-
		31,747	52,130
NOTE 6: TRADE AND OTHER RECEIVABLES			
Trade Debtors		116,030	116,160
Less Provision for Impairment		(274)	(374)
		115,757	115,786
Other Debtors		2,526	482
Rebates Receivable		3,626	3,109
GST Refundable		37	6
Income Tax Refundable		4,259	-
		126,205	119,382

	Notes	2023 $'000	2022 $'000
NOTE 7: INVENTORIES			
Merchandise on Hand		112,227	92,378
Fertiliser On Hand		3,936	4,494
		116,163	96,872
NOTE 8: OTHER CURRENT ASSETS			
Prepayments		811	1,042
Deposits Held		368	192
		1,179	1,234
NOTE 9: FINANCIAL ASSETS			
Shares in Unlisted Companies		-	185
Shares in Associated Companies		2,153	1,960
		2,153	2,145

NOTE 10: COMPOSITION OF THE GROUP

Details of investments in controlled entities and associates:

Controlled Entities	Principal Activity	Place of Incorp	Proportion of Ownership Interest & Voting Power 2023	2022
Agquire Rural Holdings Pty Ltd	Retail & Wholsale Agribusiness	Aust	100%	100%
AGRIvision Consultants Pty Ltd	Agronomy Consulting	Aust	100%	100%
Marketsmart Commodity Management Pty Limited	Risk Mgt Services	Aust	100%	100%
Four Seasons Agribusiness Pty Ltd	Ag Chem Supply	Aust	100%	100%
South East Rural Traders Pty Ltd (formerly Agquire Properties Pty Ltd)	Retail Agribusiness	Aust	75%	75%
Crown Analytical Services Pty Ltd	Research & Testing	Aust	51%	51%
North West Ag Services Pty Ltd ATF Quambatook Rural Supplies Unit Trust	Non-Operating	Aust	100%	100%
Lachlan Fertilizers Rural Pty Ltd	Non-Operating	Aust	100%	100%
Hidupa Pty Limited	Non-Operating	Aust	100%	100%
WMG Agriservices Pty Ltd	Non-Operating	Aust	100%	100%
Associated Entities				
Discovery Ag Pty Ltd	Sensing & Monitoring Services	Aust	39%	42%
Western Riverina Fertilizers Pty Ltd	Fertiliser Distribution	Aust	50%	50%

	Notes	2023 $'000	2022 $'000
NOTE 11: PROPERTY, PLANT AND EQUIPMENT			
LAND, BUILDINGS & IMPROVEMENTS			
Land, Buildings and Improvements - at cost		10,803	10,108
Accumulated depreciation		(2,664)	(2,423)
Total Land and Buildings and Improvements		8,139	7,685
PLANT, VEHICLES AND EQUIPMENT			
Plant & Equipment at cost		10,910	9,857
Accumulated depreciation		(7,038)	(5,951)
		3,873	3,905
Motor Vehicles at cost		26,931	21,026
Accumulated depreciation		(12,737)	(10,263)
		14,194	10,763
Office Equipment at cost		1,137	904
Accumulated depreciation		(845)	(645)
		292	260
Furniture & Fittings at cost		1,226	1,150
Accumulated depreciation		(748)	(753)
		478	397
Total Plant and Equipment		18,837	15,325
Total Property, Plant & Equipment		26,976	23,011

Group movements in carrying amounts for each class of property, plant & equipment between the beginning and the end of the current financial year are reconciled as follows:-

	Land, Buildings & Improv'ts	Plant & Equipment	Motor Vehicles	Office Equipment	Furniture & Fittings	Total
Balance at 1 July 2021	5,538	2,691	8,468	328	446	17,471
Assets purchased during year	114	1,349	4,547	121	-	6,131
Assets acquired on acquisition of business	2,694	580	923	-	-	4,197
Disposals during Year	(415)	(38)	(514)	(14)	(3)	(984)
Depreciation Expense	(246)	(676)	(2,662)	(175)	(46)	(3,805)
Balance at 30 June 2022	7,685	3,905	10,763	260	397	23,011
Balance at 1 July 2022	7,685	3,905	10,763	260	397	23,011
Assets purchased during year	548	703	6,054	154	69	7,528
Assets acquired on acquisition of business	106	47	1,484	67	71	1,775
Transfers	67	(67)	-	-	-	-
Disposals during Year	(23)	(26)	(808)	(8)	(8)	(871)
Depreciation Expense	(244)	(726)	(3,395)	(181)	(52)	(4,597)
Balance at 30 June 2023	8,140	3,836	14,098	292	478	26,845

	Notes	2023 $'000	2022 $'000

NOTE 12: RIGHT OF USE ASSETS

		2023 $'000	2022 $'000
Buildings - at cost		28,570	31,434
Accumulated depreciation		(11,165)	(7,856)
		17,405	23,578

Group movements in carrying amounts for right of use assets are reconciled as follows:-

		2023 $'000	2022 $'000
Balance at beginning of year		23,578	24,809
Additions		4,933	1,135
Assets acquired in business combinations		-	355
Disposals		(8,435)	(63)
Depreciation Expense		(2,671)	(2,657)
Balance at end of year		17,405	23,578

NOTE 13: GOODWILL AND INTANGIBLE ASSETS

		2023 $'000	2022 $'000
Goodwill at cost		73,481	44,961
Accumulated impairment		(352)	(352)
		73,129	44,609
Software Development		132	132
Accumulated amortisation and impairment		(106)	(79)
		26	53
Licences at Directors Valuation		109	109
Accumulated amortisation and impairment		(109)	(109)
		-	-
Product Registrations at cost		236	236
Accumulated amortisation and impairment		(78)	(58)
		158	179
		73,314	44,841

Group movements in carrying amounts for each class of intangible asset between the beginning and the end of the current financial year are reconciled as follows:-

	Goodwill	Software Development	Licences	Product Registrations	Total
Balance at 1 July 2021	30,186	79	-	152	30,417
Assets acquired in business combinations	14,423	-	-	30	14,453
Additions	-	-	-	24	24
Disposals during the year	-	-	-	(7)	(7)
Amortisation Expense	-	(26)	-	(20)	(46)
Balance at 30 June 2022	44,609	53	-	179	44,841
Balance at 1 July 2022	44,609	53	-	179	44,841
Assets acquired in business combinations	28,520	-	-	-	28,520
Additions	-	-	-	-	-
Disposals during the year	-	-	-	-	-
Amortisation Expense	-	(26)	-	(20)	(47)
Balance at 30 June 2023	73,129	26	-	158	73,314

	Notes	2023 $'000	2022 $'000

NOTE 14: TRADE AND OTHER PAYABLES

		2023 $'000	2022 $'000
Trade Creditors		196,072	183,946
Other Creditors		6,374	6,231
Goods & Services Tax on Supplies		3,714	4,444
		206,161	194,621

NOTE 15: LEASE LIABILITIES

		2023 $'000	2022 $'000
Current		3,590	2,175
Non - Current		15,827	23,654
		19,416	25,829

NOTE 16: BORROWINGS

		2023 $'000	2022 $'000
CURRENT			
Equipment Finance Liabilities		2,756	2,430
		2,756	2,430
NON-CURRENT			
Equipment Finance Liabilities		8,277	6,170
		8,277	6,170

Westpac Banking Corporation provides an overdraft facility with a limit of $75.0m to the Group. Westpac have a fixed and floating charge over the group assets, and first mortgages on certain freehold properties. Under the terms of the overdraft facility, Delta Agribusiness Pty Ltd must meet financial ratios relating to interest cover and debt/equity.

Equipment finance is secured by the related asset.

The carrying amount of assets pledged as collateral for liabilities are:

		2023 $'000	2022 $'000
First mortgage			
- Freehold land and buildings		5,775	5,466
- Financed equipment		11,033	8,599
		16,808	14,065

NOTE 17: DEFERRED TAX BALANCES

Temporary Differences	Property Plant & Equip $'000	Employee Provisions $'000	Doubtful Debts $'000	Rebates Receivable $'000	Inventory Provisions $'000	Accrued Expenses $'000	Total $'000
Balance at 1 July 2021	(705)	1,503	82	(364)	169	265	950
Recognised in the P&L	(577)	165	27	(111)	1,320	103	928
Acquired in business combinations	11	189	1	-	-	7	208
Other Acquisitions/Disposals	24	-	-	-	-	-	24
Balance at 30 June 2022	(1,247)	1,857	111	(475)	1,489	375	2,110
Balance at 1 July 2022	(1,247)	1,857	111	(475)	1,489	375	2,110
Recognised in the P&L	286	198	(30)	(212)	(469)	65	(164)
Acquired in business combinations	-	-	-	-	-	-	-
Acquisitions/Disposals	(100)	335	-	-	-	-	235
Balance at 30 June 2023	(1,061)	2,389	81	(688)	1,020	440	2,181

	Notes	2023 $'000	2022 $'000
NOTE 18: EMPLOYEE BENEFITS			
CURRENT			
Provision for Long Service Leave		3,480	2,802
Provision for Annual Leave		3,872	2,966
		7,352	5,768
NON CURRENT			
Provision for Long Service Leave		618	428
NOTE 19: ISSUED CAPITAL			
a. 17,718,596 (2022 -16,769,273) fully paid ordinary shares		69,769	52,563

Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held. At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands

	No.	No.
b. Movements during the year		
At the beginning of the year	16,769	14,993
Shares Issued during the year		
- Dividend Reinvestment Plan	-	164
- Acquisition Consideration	836	735
- New Issues	113	877
At the end of the reporting period	17,719	16,769

NOTE 20: RESERVES

Capital Profits Reserve	24	24
Relating to resale of forfeited shares		
Attributable to:		
Owners of the Company	24	24

NOTE 21: ACQUISITION OF BUSINESSES

During the year, the Group acquired the business assets of Cox Rural Holdings Pty Ltd (COX), EP Ag n Fert Pty Ltd (EPAG) and Growers Supplies (SA) Pty Ltd (GSSA), all retail agribusiness branch & agronomy consulting service businesses based in SA.

Business Acquisitions	**COX**	**EPAG**	**GSSA**	**Total**
Effective Acquisition Date	01-Jul-22	01-Mar-23	01-Apr-23	
	$'000	**$'000**	**$'000**	**$'000**
Consideration Transferred				
Cash	9,194	3,513	14,313	27,020
Value of shares issued	8,944	3,500	3,312	15,756
Deferred consideration arrangement	250	-	-	250
	18,388	7,013	17,625	43,026
Assets acquired and liabilities assumed at the date of acquisition				
Cash & Cash Equivalents	7	-	-	7
Trade and other receivables	3,288	-	-	3,288
Inventories	5,335	1,160	10,526	17,022
Other Assets	-	-	-	-
Financial Assets	-	-	-	-
Property, Plant & Equipment	532	117	1,125	1,775
Right of Use assets	-	-	-	-
Intangibles	16,219	5,800	6,500	28,520
Deferred Tax Balances	-	-	-	-
Trade and other payables	(6,291)	-	-	(6,291)
Borrowings	-	-	-	-
Provisions	(528)	(65)	(526)	(1,119)
Current Tax Liability	(174)	-	-	(174)
	18,388	7,013	17,625	43,026
Net cash (inflow) / outflow on acquisition of businesses				
Consideration paid in cash	9,194	3,513	14,313	27,020
Less: cash & cash equivalent balances	167	-	-	167
	9,361	3,513	14,313	27,187

NOTE 22: CASH FLOW INFORMATION

	Notes	**2023 $'000**	**2022 $'000**
Reconciliation of Cash Flow from Operations with Profit after Income Tax			
Profit after income tax		28,430	35,863
Non-cash items:			
Depreciation		7,268	6,462
Amortisation of Intangible Assets		47	46
Share of (Profit)/Loss of associated companies		(193)	101
Sale of Asset (Profit) / Loss		(335)	(380)
Changes in Assets & Liabilities Excluding Amounts from Business Acquisitions:			
(Increase) decrease in trade debtors & other receivables		956	(63,175)
(Increase) decrease in inventories		(2,269)	(22,062)
(Increase) decrease in other assets		54	(171)
Increase (decrease) in deferred taxes payable		(71)	(951)
Increase (decrease) in trade payables and other payables		5,249	85,040
Increase (decrease) in income taxes payable		(11,109)	3,366
Increase (decrease) in employee provisions		659	560
Net cash generated by operating activities		28,685	44,698

	Notes	2023 $'000	2022 $'000

NOTE 23: LEASING COMMITMENTS

The Group leases various office, retail and warehouse properties from which it conducts its activities. The initial lease terms are made for fixed periods ranging from 2 to 10 years.

Extension and termination options are available for the majority of the property leases. Management have assessed each lease individually on a probability basis to determine whether to include all or part of these options as part of our lease commitments.

The majority of the property leases contain an annual pricing mechanism based on CPI movements at each anniversary from the lease inception.

	2023 $'000	2022 $'000
The total future lease payments at the end of the financial year are:		
Payable - minimum lease payments		
- not later than 1 year	3,876	3,092
- between 1 year and 5 years	15,014	12,074
- greater than 5 years	2,238	16,319
	21,128	31,485

NOTE 24: NON - CONTROLLING INTERESTS

	2023 $'000	2022 $'000
Opening Balance	297	1,187
Capital Contribution from Non - Controlling Interests	-	250
Share of Profit / (Loss) for the year	164	(59)
Changes in Non-Controlling Interests	-	(1,082)
Closing Balance	461	297

NOTE 25: CONTINGENT LIABILITIES

In the opinion of the directors, the Group did not have any contingencies at 30 June 2023 (30 June 2022: None).

NOTE 26: CAPITAL COMMITMENTS

	2023 $'000	2022 $'000
Plant & Equipment	-	804

NOTE 27: EVENTS AFTER THE BALANCE DATE

There are no matters or circumstances which have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the group, the results of those operations, or the state of affairs of the group in future financial years.

	Notes	2023 $'000	2022 $'000

NOTE 28: REMUNERATION OF AUDITORS

	Notes	2023 $'000	2022 $'000
Audit of the financial statements		100	100
		100	100

NOTE 29: RELATED PARTY TRANSACTIONS

Subsidiaries and Associates
Interests in subsidiaries and associates are set out in Note 10

	Notes	2023 $'000	2022 $'000
Key Management Personnel Compensation			
Total key management compensation		4,877	4,249
Transactions with Other Related Parties			
The following transactions occurred with related parties:			
- Sale of management services to associates		61	60
- Purchase of goods from associates		70	92
Outstanding Balances arising from sales/purchases			
- Receivable from Discovery Ag (associate company)		22	-
- Payable from Discovery Ag (associate company)		9	3
Loans from related parties (included in other creditors)		17	17

Transactions with Directors

Entities related to Mr Steven Cameron own various properties which the Company leases. Lease payments made to these related entities of Mr Cameron totalled $0.6m in the financial year (2022 $0.6m)

NOTE 30: PARENT ENTITY FINANCIAL INFORMATION

The financial statements of the parent entity show the following:

	Notes	2023 $'000	2022 $'000
Balance Sheet			
Current Assets		205,105	205,836
Total Assets		317,339	293,254
Current Liabilities		163,204	155,525
Total Liabilities		185,282	184,612
Shareholders Equity			
Issued Capital		69,769	52,563
Reserves		24	24
Retained Earnings		62,265	56,055
		132,058	108,642
Profit for the year		22,309	31,809

DELTA AGRIBUSINESS PTY LIMITED AND CONTROLLED ENTITIES
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PRIVATE INFORMATION FOR THE DIRECTORS ON THE 2023 FINANCIAL STATEMENTS
TRADING, PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2023

	Consolidated Group	
	2023	2022
	$'000	$'000
Continuing Operations		
Sales Revenue		
Sales Revenue	843,514	750,006
Cost of Sales		
Purchases	745,853	672,346
Stock Movement	(3,283)	(20,671)
Total Cost of Sales	742,570	651,675
Gross Profit	100,943	98,331
Other Revenue		
Commissions - Real Estate	247	296
Commissions - Livestock	3,492	4,373
Commissions - Fertiliser	410	741
Commissions - Grain	1,589	1,967
Commissions - Other	331	318
Consultancy	3,328	3,633
Rental Income	70	70
Contract Services	1,198	1,208
Miscellaneous Income	1,340	786
Interest Received	2,555	1,986
Share of Profit from Associates	193	(101)
Total Other Revenue	14,752	15,277
Total Income	115,696	113,608
Expenses		
Advertising & Promotion	322	337
Bank Charges	628	592
Bad Debts	19	62
Cleaning	249	215
Computer Expenses	699	652
Consultants Fees	1,162	1,369
Contractors	86	98
Doubtful Debts Provision	(100)	91
Electricity & Gas	288	368
Entertainment	218	180
Equipment Hire	35	40
Filing Fees	5	5
Field Day Expenses	47	32
Freight Expense	376	254
Fringe Benefits Tax	313	107
Insurance	1,175	1,280
Lease Payments	196	185
Loss / (Profit) on Sale of Fixed Assets	(335)	(380)
Licences and Registrations	129	116
Motor Vehicle Expenses	5,280	4,406
Occupational Health & Safety	78	70
Payroll Tax	1,850	1,473
Postage	68	79
Printing & Stationery	255	199
Product Registration Fees	283	252
Provision for Annual Leave & LSL	659	560

DELTA AGRIBUSINESS PTY LIMITED AND CONTROLLED ENTITIES
ACN 118 781 445

PRIVATE INFORMATION FOR THE DIRECTORS ON THE 2023 FINANCIAL STATEMENTS
TRADING, PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2023

	Consolidated Group	
	2023	**2022**
	$'000	**$'000**
Continuing Operations		
Professional Services	363	292
Rent	1,020	948
Research & Development	63	180
Repairs & Maintenance - Plant	494	374
Repairs & Maintenance - Buildings	141	225
Saleyard Expenses	164	161
Security	22	20
Seminars & Conferences	199	136
Staff Amenities	449	346
Staff Training	95	109
Sponsorship	280	163
Subscriptions & Donations	326	263
Superannuation	4,188	3,323
Seed Mixing Costs	5	7
Store Use	142	93
Sundry Expenses	1,097	754
Telephone	652	544
Tools & Supplies	58	63
Travelling Expenses	891	426
Wages	36,743	31,313
Total Operating Expenses	61,376	52,383
Underlying Earnings Before Interest, Tax, Depreciation and Amortisation	**54,319**	**61,225**
Abnormal Stock Devaluation Provision	3,203	-
Amortisation	47	26
Project SA Costs	124	871
Depreciation	4,597	3,805
Depreciation - ROU Assets	2,671	2,657
Interest	2,902	1,554
Total Other Expenses	13,544	8,913
Operating Profit Before Income Tax	**40,775**	**52,311**